UNITED NATIONS

DP

Governing Council of the United Nations Development Programme

Distr.
GENERAL

DP/CP/BRA/5
12 March 1992

ORIGINAL: ENGLISH

Thirty-ninth session
Geneva, 4-29 May 1992
Item 6 of the provisional agenda

PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FIFTH COUNTRY PROGRAMME FOR BRAZIL

Programme period	Resources	$
1992-1996	Net IPF	14 183 000
	Estimated cost-sharing	237 606 000
	Total	251 789 000

CONTENTS

		Paragraphs	Page
I.	DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES	1 - 9	2
	A. Current socio-economic situation	1 - 6	2
	B. National development objectives and strategies	7 - 9	3
II.	EXTERNAL COOPERATION	10 - 15	4
	A. Role of external cooperation	10 - 13	4
	B. Aid coordination arrangements	14 - 15	5
III.	THE COUNTRY PROGRAMME	16 - 66	5
	A. Assessment of previous country programme	16 - 24	5
	B. Proposals for UNDP cooperation	25 - 59	7
	C. Assistance outside main country programme areas ...	60	15
	D. Implementation and management arrangements	61 - 66	15
	Annexes		
I.	Financial summary		17
II.	Programme matrix		19

92-11641 3319b (E) 070492 090492

/...

I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Socio-economic situation

1. The current economic, social and political situation of the country is characterized by economic stagnation, unequal distribution of income and property, and the persistent inflation that resulted from the exhaustion of the development model that was responsible for past achievements. This severe crisis is reflected in the obsolescence of the productive sector, intensification of the fiscal and administrative crisis of the public sector and worsening social indicators.

2. In the 1980s, while the population grew at 2.1 per cent a year, GNP increased by only 1.5 per cent a year, causing a decrease of 6 per cent in per capita income between 1980 and 1990. The gross internal investment rate that represented 24.8 per cent of GNP between 1975 and 1980 decreased on average to 18.0 per cent between 1985 and 1990. Inflation increased from an average of 120 per cent a year in the first six years of the 1980s to rates bordering hyper-inflation between 1987 and 1989. These factors had a strong impact upon the, until then successful, modality of funding the growth of the Brazilian economy. By increasingly depending on public and private domestic savings, the attempts to maintain the investment rate caused the expansion of the public sector deficit, leading to a serious deterioration of macro-economic conditions.

3. While in 1981 the share of the richest 10 per cent of the population was equivalent to 45 per cent of the national income, in 1990 it reached 49.7 per cent and during the same period, the share of the poorer 40 per cent decreased by about 20 per cent. Severe fluctuations in employment and the value of the minimum salary had important effects on the poverty situation during the 1980s. In 1985, around 54 million people representing 41 per cent of the total fell below the poverty line with a per capita income of less than half of the minimum wage.

4. Health and education indicators also show the precarious living situation of the Brazilian population. Despite a decrease during the 1980s, the mortality rate of children of up to one year of age is among the highest in Latin America with a rate of 54 per 1,000, while the maternal mortality rate is 120 per 100,000. Life expectancy at birth is also among the lowest, with 65 years. In the area of education, although the combined proportion of enrolment in elementary and secondary schools has increased, with an almost balanced distribution between boys and girls, the rate of promotion to upper grades has not improved, while those of failures and dropouts remains high, particularly in the northern and north-eastern regions.

5. The economic and social changes that resulted from the development model followed by Brazil also had important effects on urbanization and employment. The present proportion of 70 per cent of urban population and 30 per cent of rural population is the exact opposite of the situation 40 years ago. In relation to employment, apart from those periods of low economic activity in

the 1980s, a large increase of the economically active population was observed with significant changes in the occupational structure, decreasing the participation of the primary sector and incorporating women in the labour force. The participation of women in the economically active population has increased from 15 per cent in 1950 to 30 per cent in 1990. Despite these advances, unemployment and underemployment remain high with a level of 38 per cent. These rapid structural changes have contributed to the dismantling of the established social structure, mainly in large towns, aggravating further the living conditions of the population.

6. Furthermore, the acceleration of internal migration of small rural producers from the south to the centre-west and Amazonia has increased the damage to the environment. The development of human settlements in new areas and the expansion of agriculture and livestock activities in bordering regions has affected the ecological balance of the forest. Pollution of water resources has also increased as a consequence of the development of mining and industrial activities.

B. National development objectives and strategies

7. The Brazilian Government is committed to a process of profound structural change, aimed at resuming economic growth, improving the quality of education, upgrading the level of scientific and technological knowledge, warranting equality of opportunities and universal access to the rights of citizens, all determining factors for achieving a modern society. To this end, the Government is seeking to redefine the role of the State in order to improve its action.

8. As a first step, the Government adopted daring measures to reduce inflation and reform the public administration. It submitted a Pluri-Annual Plan to the National Congress and society, with a programme of public investment for the period 1991-1995, and a National Reconstruction Project that includes the modernization of the economy and the public sector; an increase in the competitiveness of the Brazilian productive sector; the privatization of State enterprises; and the liberalization of foreign transactions. Furthermore, it also incorporates other fundamental issues, such as budgetary and fiscal reform; debt restructuring; increasing foreign investment and private national savings; and policies for environmental conservation and poverty eradication.

9. The policies to be implemented cannot be directed exclusively to the recovery of the economy, since the development of the country cannot be separated from social justice. The large imbalance in the distribution of income, the situation of acute poverty in the country, the deterioration of social services, as well as the damage to the environment, require immediate action. In this context, the first revision of the Pluri-Annual Plan in February 1992 envisages a number of macro-strategies to guide the preparation of policies, national programmes and regional and sectoral plans. Several actions have already been initiated to design programmes that include proposals for the implementation of integrated projects in selected areas,

such as education, technological modernization, improvement of productivity and quality, sustainable growth with social objectives, equality of opportunities and citizenship, and streamlining and modernization of the State. These programmes also constitute a frame of reference for international cooperation.

II. EXTERNAL COOPERATION

A. Role of external cooperation

10. The Brazilian Government understands that international technical cooperation should follow two main lines of action: as an instrument for external policy, and to assist in the promotion of social and economic development. In this context, the policy of the Brazilian Government merges basic elements from both lines of action, and relates both to the cooperation received and the cooperation it provides to other countries.

11. In 1989, Brazil received technical cooperation in the order of $130.7 million, of which $80.5 million corresponds to bilateral donors: Canada $7.66 million; France $10.0 million; Germany $37.8 million; and Japan $25.1 million. Multilateral organizations provided $46.9 million: UNDP $13.8 million; Food and Agriculture Organization of the United Nations (FAO) $1.04 million; World Bank $2.21 million; Inter-American Development Bank (IDB) $0.66 million; United Nations Educational, Scientific and Cultural Organization (UNESCO) $0.12 million; United Nations International Drug Control Programme (UNDCP) $2.64 million; United Nations Population Fund (UNFPA) $0.49 million; United Nations Children's Fund (UNICEF) $6.27 million; United Nations Industrial Development Organization (UNIDO) $0.73 million; United Nations Development Fund for Women (UNIFEM) $0.29 million; World Food Programme (WFP) $6.58 million; and World Health Organization and Pan-American Health Organization (WHO/PAHO) $12.1 million; and $3.3 million from non-governmental organizations (NGOs).

12. During the same year, international technical cooperation was directed to the following priority sectors: general development issues, policy and planning 12.2 per cent; agriculture, forestry and fisheries 17.22 per cent; health 12.3 per cent; social conditions and equity 12.3 per cent; science and technology 6.35 per cent; employment 4.7 per cent; transport and communications 4.4 per cent; and industry and trade 4.6 per cent.

13. Brazil grants technical cooperation to other developing countries in the fields of agriculture, livestock production, agro-industry, public transportation, energy and telecommunications, among others. This cooperation has been taking place based on bilateral and multilateral agreements through the mechanism of technical cooperation among developing countries (TCDC) and other arrangements.

B. Aid coordination arrangements

14. The Government of Brazil created in 1987 the Brazilian Cooperation Agency (ABC) in the Ministry of Foreign Affairs, with the objective of coordinating the technical cooperation received and provided by Brazil. ABC prepares technical cooperation programmes, assists national and international agencies in elaborating programmes and projects, analyses, negotiates, monitors and supports their execution, jointly with those ministries responsible for the formulation of global and sectoral plans and policies, thus enabling the Ministry of Foreign Affairs to negotiate a global cooperation programme with different external sources. In this context, ABC acts as a focal point for TCDC activities implemented by Brazil and deals through the Ministry of Economy, Treasury and Planning with the coordination of international financial cooperation. Something that should be emphasized is the significant support provided by UNDP to the institutional strengthening of ABC, which should continue during the fifth country programme.

15. The Brazilian Government considers the role of UNDP to be of particular importance in coordinating the operational activities of the United Nations system, particularly in relation to the specialized agencies with activities in Brazil.

III. THE COUNTRY PROGRAMME

A. Assessment of previous country programme

16. The fourth country programme (1987-1991) was oriented to the process of policy definition and decision-making; the social sector; development of managerial capacity; management and conservation of natural resources; and transfer, absorption and diffusion of scientific and technological knowledge.

17. The process of policy definition and decision-making was supported with substantive inputs and flexible instruments that allowed the informed participation of prominent political leaders, entrepreneurs, trade unions, NGOs and intellectuals in national forums and seminars. Studies concerning the modernization of the Federal Senate, the privatization of public enterprises and the reform of municipal administration were undertaken. The process of policy formulation and planning in the urban sector was also strengthened.

18. In the social sector, an important contribution was made to the revision of social policies. In-depth evaluations on the social impact of national policies in education, health and demography were carried out. Assistance was also provided in the formulation of employment and wage policies in rural and urban areas, the redesign of the rural extension system, and the training of small producers in formulation and management of investment projects to improve rural income. The modernization of basic education management systems and the design of a national strategy to favour youth education were supported, as well as a national diagnosis on street children that supported the definition of a comprehensive and integrated national policy.

19. The management capacity of the State was strengthened through the introduction of new systems, the definition and implementation of the new industrial development policy, and the establishment of four management and administration units to implement investment programmes valued at $280 million.

20. Aiming at meeting the specific demand for coordination in the area of management and conservation of natural resources and in anticipation to the preparatory process for the United Nations Conference on Environment and Development (UNCED), an environmental unit was created to provide advisory services for articulation and systematization, and the preparation of norms and implementation of environmental technical cooperation, through 35 new projects, which have also consolidated relationships with other sectors. In this respect, assistance was given to mobilize $150 million for the implementation of the National Programme for the Environment. Several actions oriented to the rational management of natural resources and the preservation of biodiversity in the Amazonian region were assisted. A forestry management programme in three states of the north-east was formulated and implemented. The execution of the national programme of fire prevention is being assisted, as well as a national programme for industrial pollution monitoring and control. New maps at national level on the quality of soils and meteorology will allow the rational utilization of the land and the development of irrigation systems.

21. The assistance provided in the transfer, absorption and diffusion of scientific and technological knowledge included research and development of new products and components in the telecommunications sector and their transfer to industry; training in civil aviation flight protection; the creation of five information centres for the National Institute of Industrial Property; and a centre for food packaging financed by the private sector.

22. The fourth country programme was adjusted to reflect important changes in the political, institutional and economic situation of the country, for instance, those related with the 1988 Constitution, the exhaustion of the development model followed in the past, the priority given to the environment and the social sector, and new emphasis on the participation of women in development. The need for those changes, identified in the mid-term review of the fourth country programme, reflected the diversified demand for UNDP cooperation, causing greater dispersion as compared to the original programme. This new demand profile provided an opportunity for the strategic adaptation of the programme, which then assumed the features of a macro preparatory assistance. At the global level, the adaptation of the country programme allowed the formulation of investment projects aimed at attracting internal and external resources, mainly in the areas of environment, health and education, amounting to more than $2 billion. The country programme was also strengthened by the development of TCDC activities, which reinforced cooperation linkages with 38 developing countries.

23. Aiming at the creation and development of managerial capacity, and pursuant to General Assembly resolution 44/211 of 22 December 1989 and

Governing Council decision 90/34 of 23 June 1990, great emphasis was given to the national execution modality. National institutions are now assuming an active role in the execution of technical assistance projects. The specialized agencies of the United Nations system continue to play an important role that is changing to the technical side of the operations. The implementation of new cooperation mechanisms was encouraged by making it possible for NGOs and private organizations to participate in specific projects. In order to support this complex process, UNDP is assisting in the creation of a project administration unit within ABC.

24. The implementation of the fourth country programme had to deal with changes in and the disappearance of national implementing agencies, a high turnover of technical staff in some organizations of the public sector, budgetary constraints and the redefinition of policies and priorities. The reformulation of some projects was necessary, to take account of the new conditions. Furthermore, based on the experience of the fourth country programme, the Government has taken a number of measures for the fifth country programme to ensure a greater concentration of technical cooperation actions in order to achieve greater impact in the development of the country.

B. Proposals for UNDP cooperation

1. Preparatory process

25. The Brazilian Government, through coordinated actions of ABC and the planning unit of the Ministry of the Economy, Finance and Planning, reviewed its development objectives, programmes and priorities identifying sectors that could be considered for the cooperation of UNDP during the fifth programming cycle. As soon as these sectors were identified, the Government initiated the preparation of the fifth country programme in close collaboration with UNDP and the organizations of the United Nations system.

26. The concept and orientations for the fifth country programme began in 1989 with the mid-term review of the fourth country programme. This gave a global view on its implementation and began a new process, based on the guidelines provided by the recently adopted Constitution and by the new federal administration. Furthermore, the final years of the fourth cycle witnessed broad support for the introduction of new policies and, consequently, the preparation of future programmes. The final phase of this process has been characterized by intense consultations with the central planning agency, with the objective of establishing priority areas for UNDP action during the fifth programming cycle. Proper consideration was given to the programme orientations contained in General Assembly resolution 44/211 of 22 December 1989 and Governing Council decision 90/34 of 23 June 1990. At the end of this exercise, in which the advisory note submitted by UNDP was carefully examined, the final and definitive version of the fifth country programme document was prepared by the Government.

2. Strategy for UNDP cooperation

27. Brazilian society is going through a crucial historical moment, seeking to consolidate its political redemocratization process and modernize its economy, through a closer integration with the rapidly changing international community. This integration will require greater competitiveness of national products, which can only be achieved through the generation and absorption of advanced technologies and the adoption of modern management methods in the productive sector.

28. Moreover, the country is facing an adverse set of circumstances, including a high inflation rate, caused to a large extent by the significant deficit of the public sector. This could improve by reforming the State to become more effective in areas such as education, health, social security and infrastructure development; and through an ambitious programme of privatization, transferring to the private sector the activities currently undertaken by public enterprises.

29. The UNDP characteristics of flexibility, universality and neutrality, as well as the innovative mechanisms it offers, constitute a comparative advantage in relation to other sources of cooperation. Its promptness in approving and implementing projects through the use of modern administrative instruments in a highly decentralized system add up to its crucial role in the link between technical and financial cooperation, provided mainly by multilateral financial institutions such as the World Bank and IDB. Furthermore, the participation of UNDP in international environmental support funds, such as the Global Environmental Facility (GEF), its experience in building managerial and administrative capacities in national institutions for the management of international resources, and its strategic position to assist Governments in the coordination and systematization of programmes, constitute important additional comparative advantages over other sources of cooperation.

30. In this context, the cooperation of UNDP should be directed to the following functions: the real transfer and absorption of priority knowledge, from critical perspectives aimed at producing innovation and creation; the optimization of financial resources allocated to technical cooperation and promotion of the multiplier effect; the promotion of projects with impact at the national level; the integration of several international components of technical cooperation, such as consultancies, human resources training and equipment in national programmes; the concentration of resources in projects with greater impact, thus avoiding pulverization and dispersion of efforts; the building of national capacity to mobilize human, technical, and financial resources for the implementation of national programmes; and the promotion of the participation of civil society through NGOs, the private sector, and universities.

3. Proposed UNDP cooperation in selected areas of concentration

31. The Government of Brazil proposes to concentrate UNDP cooperation in the following areas: education, science and technology; modernization of the productive sector; environment and development; health and social development; and modernization of the State.

Education, science and technology

32. National development objectives. The Government is implementing major programmes in these sectors in order to address the most urgent national problems. The average schooling period is of around three years and approximately 90 per cent of the population have access to the school system, but high rates of failure and dropout are experienced by a large majority of children leaving the school between the ages of 7 and 14. The results of investments made in basic education, as compared with those of other countries, show lower achievements in terms of the effectiveness and productivity of the system. Recent studies carried out in the north-east show that around 70 per cent of the resources allocated to education do not reach the schools and are being spent in administrative activities. In relation to higher education, a high percentage of research done in the country is concentrated in public universities, where the degree of excellence is directly related to the availability of public resources. In recent years, budgetary constraints, as well as inefficient management of the educational system, have caused a deterioration of the quality of education, a stagnation of research and technological prospecting activities, and a reduction of salaries. These factors have caused the loss of qualified scientists, who leave the country or decide to work in the private sector, thus leaving the universities and research institutions without qualified personnel to generate new knowledge or train people to support teaching and research.

33. In this context, the universalization of basic schooling and the generation of updated technology to provide the country with scientific and technological competitiveness constitute the focus for the cooperation of UNDP in this area.

34. The cooperation of UNDP will de directed to providing support to the efforts of the Government in making basic education available to all; and improving the quality of services directed to poor income groups, particularly in the north-east; in formulating and implementing a national programme for street children; improving the management and planning capacity of the Brazilian educational system, through the development of human resources and the redistribution of national investments; training human resources to support the country's research and development programmes; assessing scientific and technological capacity in general and in specific sectors; and developing advanced technologies.

35. The impact of UNDP cooperation should be assessed in relation to its contribution to reducing illiteracy, particularly in the poorer areas; improving the quality of education and the management of the educational

system; to its participation in the street children programme; to the establishment of sustainable scientific and technological programmes; and developing modern technologies which address the needs of the country.

36. The resources assigned to this area amount to $66.6 million representing 26.5 per cent of the total. This amount involves $860,000 of IPF resources, equivalent to 6.1 per cent of IPF, and $65.6 million of cost-sharing resources, equivalent to 27.7 per cent of total cost-sharing.

37. Complementary assistance. This area of concentration will also receive cooperation from the World Bank to improve the quality of educational services directed to poor income groups and for basic education in the north-east; UNICEF will implement child development and education programmes; UNDCP will assist in drug control and primary education; France and Germany are contributing in the development of advanced technologies; the Organization of American States (OAS) in education programmes; UNESCO, OAS and the regional programme of UNDP will provide assistance in the development of information technologies.

Modernization of the productive sector

38. National development objective. The Brazilian productive sector is faced with decreasing productive investment, lack of technological innovation, and outdated systems to support basic scientific and technological research. These have resulted in growing obsolescence of the industrial infrastructure, lack of resources for the agricultural sector and the stagnation of production. In order to reverse this situation, promote the urgent modernization of the productive sector, and face the challenges arising from its integration into the world economy, the Government has approved a new industrial and external trade policy, supported by three programmes: the Industrial Competitiveness Programme, the Brazilian Quality and Productivity Programme, and the Support Programme for Technological Industrial Training. The Government is also promoting the development of managerial and technical capacities of the agricultural sector, particularly in irrigation, research and development, sanitary control, food products, and cooperatives.

39. The proposed UNDP cooperation includes the continuation of activities in support of government programmes for the modernization of the industrial property system; the development of entrepreneurial capacities and organizations in the rural and manufacturing sectors, with special emphasis on new entrepreneurs who have participated in programmes to promote settlements in border areas; the development of applied agricultural research; the organization of rural producers; and sanitary control of food.

40. New programmes that should be supported include the actions identified by the Quality and Productivity Programme for the public and private sectors; the promotion of actions linked to the Support Programme for Technological and Industrial Training, particularly in relation to activities aimed at the development of technological incubators and technological information; the modernization of standardization and quality control services; the

modernization of the technology used in traditional sectors; and the development of innovative ideas for the productive sector.

41. The impact of UNDP cooperation should be assessed in relation to the degree of improvement in productivity and competitiveness in selected areas of national production in relation to international standards; better assessments of potential markets for products of high technological content; a research and development infrastructure capable of responding to the demands of Brazilian society for the supply of technological services; improved services of agricultural research and development institutions; reduction of production waste through an increase of productivity; revised industrial and intellectual property strategies; a revised national system of metrology, standardization and quality control; and a better integration of education into the productive sector.

42. The resources assigned to this area amount to $40.35 million representing 16.0 per cent of the total. This amount involves $1.56 million, equivalent to 11.0 per cent of IPF funds, and $38.78 million of cost-sharing resources, equivalent to 16.3 per cent of total cost-sharing.

43. Complementary assistance. The modernization of the productive sector and the access to modern technologies will receive the cooperation of multilateral organizations, such as UNIDO, the World Intellectual Property Organization (WIPO), and the International Atomic Energy Agency (IAEA); and from bilateral sources, particularly France, Germany and Japan. In addition, this area of concentration will receive the cooperation of the International Fund for Agricultural Development (IFAD) in support of small producers in the centre-west and north-east regions; the World Bank will assist small producers in Matogrosso, Rondonia and the north-east; and the Interamerican Institute for Agricultural Cooperation (IICA) will support small producers and cooperatives.

Environment and development

44. National development objectives. Considering the great variety and fragility of the Brazilian ecosystems, the Government is giving greater attention than in the past to the development of models for sustained use of natural resources in relation to biodiversity protection, integrated use and conservation of land and water resources, recovery of damaged areas, and rationalization and adoption of new energy sources. These aspects are already being taken into consideration by the National Environmental Fund through pilot projects and conservation units. Furthermore, as Brazilian society is becoming increasingly aware of the importance of integrating environmental criteria into the development process, the Government is incorporating the concept of sustainability into the design and implementation of large multi-sectoral projects and the elaboration of regional development programmes.

45. The Government is aware of the need to reinforce and modernize its institutional infrastructure to coordinate the development of environmental programmes, ensuring coherent actions among the different sectors to avoid the duplication of efforts and the pulverization of resources; implement the

recommendations of UNCED; disseminate existing information; implement a social, economic and ecological zoning of the country; and introduce environmental accounting practices.

46. The proposed UNDP cooperation will be directed to supporting the following programmes: conservation and management of natural resources and the environmental heritage; scientific and technological research applied to the rational exploitation of natural resources; incorporation of sustainability into the development process and environmental education; creation of instruments to support economic and environmental planning and control; pollution control, waste recycling and disposal, sanitation, housing and urban development; strengthening and modernization of environmental management; and the National Programme for the Environment.

47. The impact of UNDP cooperation should be assessed in relation to the regularization of property rights for indigenous reserves and national parks; research programmes implemented in the area of exploitation of natural resources; the extent to which the concept of sustainability has been introduced in large development projects at federal and state levels; the number of projects formulated and approved for GEF funding; the reduction of industrial pollution; and the progress made in the ecological zoning of Amazonia.

48. The resources assigned to this area amount to $32.72 million representing 13 per cent of the total. This amount involves $1.58 million of IPF resources, equivalent to 11.2 per cent of IPF, and $31.13 million of cost-sharing resources, equivalent to 13.1 per cent of total cost-sharing.

49. Complementary assistance to this co..centration area will be provided by the World Bank for the implementation of the National Programme for the Environment, the national programme for industrial pollution control and the programme for fire prevention and control; GEF will finance specific activities related to biodiversity, energy conservation and development of alternative energy sources, mitigation of pollution of international waters, and protection of the ozone layer. IDB will finance environmental management and indigenous communities in the state of Acre, and the decontamination of Guanabara Bay. UNIDO will provide financing in the area of bio-technology development and industrial pollution, UNESCO in environmental education, UNICEF in the area of children and the environment. Germany will provide funding for an environmental management post-graduate programme, and France for the integrated management of river basins. NGOs will continue their active participation in the environment sector, with additional funds provided by GEF and the Group of Seven. They will assist in the formulation of policies and the implementation of projects in coordination with government institutions, specialized agencies of the United Nations system and bilateral donors. At the regional level, efforts are being made to consolidate and standardize activities, legislation and instruments from different Latin American countries, with the objective of harmonizing policies and strategies, particularly in the context of the Amazonian Cooperation Treaty supported by Brazil.

Health and social development

50. National development objectives. The social development policy of the Government seeks to provide basic health care to all Brazilians, particularly low-income groups. However, the unequal distribution of health services that favours the south and south-east to the detriment of the remaining regions, particularly the north-east, is aggravated further by the constantly deteriorating income of the population and increasing regional disparities. The Government is concentrating its efforts on the implementation of a unified health system.

51. The proposed UNDP cooperation should concentrate on the following: strengthening the management, planning and coordinating capacity of health and social welfare programmes at the federal, state and municipal levels, with emphasis in the health of women and children; assisting the programme of blood and blood products development; supporting the control and eradication of communicable diseases, including information and education programmes with special emphasis on the national programme against the acquired immunodeficiency syndrome (AIDS); promoting self-sufficiency in immune-biological products, such as vaccines and related products; supporting food quality control and standardization; and developing control mechanisms and norms concerning the use of toxic products in productive activities.

52. The impact of UNDP cooperation should be assessed in relation to: the degree of improvement in the managerial and planning capacity of the unified health system and the extent of coordination in the health sector, particularly in the north-east; the improvement of knowledge about AIDS; the extent to which educational information on blood and blood products has been disseminated; the elaboration of rules and guidelines concerning food quality and toxicological vigilance; and the number of staff trained in the various areas indicated above.

53. The resources assigned to this area amount to $56.33 million representing 22.4 per cent of the total. This amount involves $1.15 million of IPF resources, equivalent to 8.1 per cent of IPF, and $55.18 million of cost-sharing resources, equivalent to 23.2 per cent of total cost-sharing.

54. Complementary assistance. This area of concentration will also receive the cooperation from the World Bank to support the implementation of the unified health system, particularly in the north-east, and the programme to strengthen health posts in rural areas; UNFPA will assist in the mother/child health care programme for the north-east; and UNICEF will continue assisting the programmes of child survival and nutrition and street children. WHO/PAHO and France are supporting research in the area of AIDS, as well as curative and preventive programmes; UNDCP will finance programmes on AIDS and the use of drugs; the World Bank is also providing funds for the implementation of the national programme against the AIDS epidemic; several NGOs are working in this area with external funding. Government actions directed towards the institutional development of the Brazilian Welfare Agency will also receive external cooperation from several sources.

Modernization of the State

55. National development objectives. The Government intends to strengthen and modernize its management system in the areas of international relations, public policy formulation and administrative reform, in order to improve the use of financial and technical cooperation mechanisms, the formulation of public policies and the implementation of administrative reforms.

56. The proposed UNDP cooperation will be directed to the following programmes:

(a) International relations. Assistance will be provided to: strengthen the capacity to negotiate, coordinate, implement and monitor externally funded programmes, related to the Ministry of Economy, Finance and Planning and the National Environmental Secretariat which will receive substantial resources from GEF, the Group of Seven, the World Bank, and IDB; strengthen the capacity of ABC to coordinate, implement and monitor programmes and projects, and introduce new information systems; consolidate the creation of the project administration unit within ABC, as a self-financed organizational unit which will be responsible for the administrative and financial arrangements of nationally executed projects, and in the medium term, also those related to bilateral programmes; support TCDC activities, including the active participation of NGOs and the private sector; and assist in studies and the management of export-oriented programmes, including those related to the effective integration of Brazil in the Southern Cone Common Market (MERCOSUL);

(b) Public policy formulation and implementation of administrative reforms. Support will be provided to prepare studies by the Government, Congress, universities and the private sector for the formulation of public policies; assist in the definition of agricultural policies for small rural producers; and strengthen the management capacity of the State in areas such as education, health, labour relations, environment, science and technology and regional development.

57. The impact of UNDP cooperation should be assessed in relation to the number and quality of negotiated and implemented externally funded programmes and the volume of resources that are mobilized; the extent to which administrative and financial services are provided by the Government to nationally implemented cooperation programmes and projects; the quality and quantity of TCDC activities negotiated and implemented; the level of Brazilian integration in MERCOSUL; the development impact of public policies whose formulation was supported; strengthen management capacity of operational units in national institutions in the various sectors related to the country programme.

58. The resources assigned to this area amount to $19.01 million representing 7.6 per cent of the total. This amount involves $3.76 million of IPF resources, equivalent to 26.5 per cent of IPF, and $15.25 million of cost-sharing resources, equivalent to 6.42 per cent of total cost-sharing.

59. Complementary assistance. This area of concentration will receive complementary assistance from the World Bank to support the definition of national policies and improve public sector management; the Group of Seven will also finance actions to strengthen the management capacity of the Government and NGOs in the area of the environment; NGOs are also providing assistance for several initiatives related to the integration of Latin America and Japan and the regional programme of UNDP; NGOs and the private sector are supporting the programme to involve the community in policy-making, particularly in the environment sector; the International Association of Municipalities is providing support to strengthen the management capacity of several municipalities; IDB will finance a major programme dealing with the definition of a development policy for science and technology.

C. Assistance outside main country programme areas

60. The civil aviation and telecommunication programmes, both of which are extremely relevant for the safety of air transportation and for the development strategy of the country, will continue during the fifth cycle, following the recommendations of recent evaluation missions. The effective and innovative mechanisms established between Peru and Brazil, to supply cocoa-bean seeds and technical assistance to Peru and strengthen research activities in Brazil, will be continued with the support of UNDP. The resources assigned to the assistance outside the main concentration areas of the country programme amount to $31.71 million representing 12.6 per cent of the total. This amount involves $259,000 of IPF resources, equivalent to 1.8 per cent of IPF, and $31.45 million of cost-sharing resources that are equivalent to 13.2 per cent of total cost sharing.

D. Implementation and management arrangements

61. The coordination, monitoring and evaluation of the fifth country programme will be the joint responsibility of UNDP and ABC, as the government unit responsible for coordinating technical cooperation received and provided by Brazil. The Government believes that the beginning of a new country programme constitutes an excellent opportunity to review those aspects related to the implementation of programmes and projects, with the objective of improving their execution. Several operational matters that were analysed during the mid-term review, have been considered during the preparation of the fifth country programme.

62. Considering the complexity and dynamism of the Brazilian process of economic, social and political development; the magnitude of the fifth country programme; the importance of the development issues being addressed; and the recommendations derived from the evaluation of the previous cycle, a continuous monitoring and evaluation process will be adopted in order to maintain the relevance of the fifth country programme in relation to the development objectives and programmes of the Government.

63. In the context of Governing Council decision 90/21, the fifth country programme will endeavour to consolidate the modality of national execution. The responsibilities related to the administrative and financial management of projects implemented by national institutions will be progressively transferred to the project administration unit that has been created within the Brazilian Cooperation Agency. Furthermore, important efforts undertaken during the fourth cycle towards standardization and systematization will be consolidated during this programme, with the objective of finalizing a manual on project execution to guide national institutions in the implementation of technical cooperation programmes.

64. The specialized agencies of the United Nations system will be associated with the implementation of the fifth country programme, providing important technical inputs and new monitoring mechanisms to improve the quality of programmes and projects. The use of United Nations Volunteers will be enhanced throughout the fifth cycle, in view of the excellent work performed by them during the implementation of the fourth cycle. The involvement of NGOs, which has been strongly emphasized in recent years, particularly in the environmental area, will be extended to other areas during the fifth country programme through the identification of actions likely to be effectively implemented by NGOs in large-scale government projects; and the active involvement of NGOs in projects, aiming at developing innovative mechanisms for the participation of civil society.

65. The Brazilian Government, through ABC, will have available in 1992 an integrated information system for all external technical cooperation, in addition to that provided by Brazil to other developing countries. This system will support the monitoring and evaluation of the fifth country programme. Parallel to the effort of the Brazilian Government, a new project monitoring system will be gradually implemented in the office of the Resident Representative of UNDP. ABC will also have access to this system, which will contribute to an improved coordination of operational activities. Furthermore, the auditing exercise of nationally executed projects that began during the fourth cycle will be continued and used as an input for monitoring and evaluation. The introduction of the new support costs arrangements in 1992 will facilitate the performance of technical evaluations by the specialized agencies of the United Nations system as a complement to the annual management and financial auditing, whenever deemed necessary.

66. Considering the above-mentioned issues and the particular characteristics of the fifth country programme for Brazil, in-depth analysis of each area of concentration, complemented by thematic evaluations, will be carried out annually with the cooperation of UNDP and the specialized agencies of the United Nations system.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth cycle IPF	-	
Fifth cycle IPF	14 183	
Subtotal IPF		14 183
Project cost-sharing (Government)	237 606	
Project cost-sharing (Third party)	-	
Programme cost-sharing	-	
Subtotal cost-sharing		237 606
TOTAL		251 789

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Education, science and technology	860	65 801	66 661	26.5
Modernization of productive sector	1 565	38 785	40 350	16.0
Environment and development	1 589	31 134	32 723	13.0
Health and social development	1 150	55 180	56 330	22.4
Modernization of the State	3 760	15 250	19 010	7.6
Subtotal	8 924	206 150	215 074	85.5
Assistance outside main country programme areas	259	31 456	31 715	12.5
	9 183	237 606	246 789	98.0
Un-programmed reserve	5 000	-	5 000	2.0
TOTAL	14 183	237 606	251 789	100.0

/...

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds		
Special programme resources (SPR)	500 000	
UNCDF	-	
UNSO	-	
UNIFEM	1 500 000	
UNRFNRE	-	
UNFSTD	-	
Global Environment Facility	50 000 000	
Subtotal		52 000 000
B. Other United Nations resources		
JCGP participating agencies		
UNFPA	12 000 000	
UNICEF	43 000 000	
WFP	60 000 000	
IFAD	130 000 000	
Other United Nations agencies (non-UNDP financed)	-	
Subtotal		245 000 000
Total non-core and other United Nations resources		297 000 000
C. Non-United Nations resources		220 000 000
TOTAL		517 000 000

Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. EDUCATION, SCIENCE AND TECHNOLOGY						
Basic education	*					*
Management capacity of the education system			*		*	
Science and technology research and development					*	
II. MODERNIZATION OF THE PRODUCTIVE SECTOR						
Industrial property				*	*	
Entrepreneurial capacity	*	*	*		*	*
Agricultural reseach	*	*			*	
Quality and productivity			*		*	
Technological incubators			*		*	
Quality control				*	*	
Technological modernization		*			*	
III. ENVIRONMENT AND DEVELOPMENT						
Natural resources management		*			*	
Sustainability of development	*	*	*		*	
Planning and control		*	*			
Pollution control and waste management		*		*	*	
Urban development	*	*	*			
IV. HEALTH AND SOCIAL DEVELOPMENT						
National health system	*		*			*
Blood and byproducts					*	
Transmissible diseases					*	
AIDS	*			*	*	
Immunobiologicals					*	
Food quality control				*	*	
Toxicological surveillance				*	*	
V. MODERNIZATION OF THE STATE						
International relations		*	*	*		
Policy formulation			*			
Administrative reform			*			

a/ Asterisks indicate major linkage only.